

Key Team Members:

The senior Bechtel subject matter experts proposed for the assessment team are listed below, and the resume for each individual is provided in Attachment 4:

- Mike Lewis – Executive Management
- Mike Robinson – Project Management and Construction
- Ron Beck – Project Management and Engineering
- Randy McCarroll – Project Management and Project Controls
- Ed Sherow – Design and Licensing
- Steve Routh – Design and Licensing
- Bob Exton – Supply Chain Management

Commercial Considerations:

This assessment will be completed by approximately ten (10) senior managers, last eight (8) weeks in total, and will cost \$1 million.

This scope of work can be performed under a simple consulting agreement. We propose 25% of the cost be paid on mobilization with the balance due upon delivery of the report and recommendations.

Any confidentiality agreements required by you or your contractors can be completed on an expedited basis.

Attachments:

- 1 – Initial Data Validation Phase
- 2 – Assessment Report Table of Contents
- 3 – Bechtel Background and Relevant Experience
- 4 – Assessment Team Resumes

ATTACHMENT 1

Initial Data Validation Phase

The following documents are needed for the initial data validation phase and we request this information be provided at least one week in advance of our initial visit to the V.C. Summer site.

- Owners organization structure that oversees the V.C. Summer project
- Contractor organization chart(s) for the V.C. Summer project (down to the department/functional lead level)
- Recent monthly progress report(s)

Activities during the initial data validation phase:

- Review project reports and documentation available to SCE&G/Santee Cooper, including, but not limited to the following:
 - Project execution plans and/or procedures
 - Owner and contractor organizational charts
 - Project schedule hierarchy— e.g., milestone management schedule, supported by increasing levels of detailed, integrated EPC schedules
 - Monthly progress reports
 - Cost and/or schedule forecasts, including staffing projections
 - Supply chain information, including module fabrication/production schedules for each facility and quality findings
 - Action item/issue management lists
- Meet with key owner personnel to understand the following:
 - Discuss the evolution of the project to date, including impacts and changes
 - The current state of relations between owners and contractors
 - Understand any financing time constraints, lender commitments or lender rights that could influence the path to completion
- Hold discussions with contractors to gain an understanding of the challenges facing the project to date
- Discuss options for securing contractor cooperation and engagement during completion of the assessment
- Verbal report out to owners on progress during this phase and confirmation on the path forward for the remainder of the assessment

ATTACHMENT 2

ASSESSMENT REPORT - TABLE OF CONTENTS

- Executive Summary
- Project Management/Project Controls
 - Project EPC Culture
 - Project Execution Approach/Organization
 - Contractor Oversight
- Engineering
- Licensing
- Supply Chain Management
- Module Fabrication
- Construction
- Startup
- Recommendations for a Path Forward
- Appendices

Note: the various departmental/topical focus assessments above will contain the following information:

- **Summary**
- **Current Status**
- **Risks to Project Completion**
- **Observations and Recommendations**

ATTACHMENT 3

BECHTEL BACKGROUND AND RELEVANT EXPERIENCE

Nuclear, Security, & Environmental

All nuclear specialists in Bechtel are now consolidated into a single business unit named Nuclear, Security & Environmental (NS&E). This 4,400 employee company comprises all of Bechtel's 60+ years of experience in the nuclear industry including best practices, lessons learned, systems, tools, and processes.

This expertise includes engineering, procurement, and construction (EPC); commissioning and operational support; upgrades; and decommissioning and cleanup of nuclear power plants; naval nuclear propulsion systems; facilities for nuclear weapons research and development, manufacturing, production, assembly, disassembly, refurbishment, testing, and general stewardship; nuclear waste treatment and disposal facilities; and government facility decontamination.

Annually, we perform approximately \$6 billion worth of these services for our commercial and government customers. This diversity of nuclear projects has enabled Bechtel to maintain the broadest contractor nuclear expertise and capacity in the industry.

Nuclear Power

Bechtel continues to be a global leader in the design, procurement, and construction of nuclear power plants, whether it is modifications to existing facilities, new build, or next generation technology development. Bechtel has been an integral player in the nuclear power industry since its inception over 60 years ago, and we remain at the forefront by providing a range of services and offering technical expertise that no other contractor can match. We have been involved on more than 150 nuclear power plants worldwide and have been a major architect/engineer (A/E) participant in most nuclear reactor technologies, including the AP1000. Moreover, we constructed 42 plants and were the A/E for 71 plants, with involvement ranging from conceptual engineering, plant layout, design certifications, early site permit (ESP) and combined license (COL) applications, constructability reviews, estimating, and owners engineering to full construction and commissioning services as part of consortia, in joint ventures, or as a turnkey provider.

Bechtel's ability to manage complexity on projects large and small is enhanced by a wide variety of services including our adaptive approach to managing labor, a worldwide procurement organization and operation, effective use of information technology, proactive community and regulatory relations, and the US engineering industry's largest research and development staff. This unique experience brings an unparalleled portfolio of expertise to our client projects around the world, on assignments of different sizes and complexities, with one underlying theme — an ability to deliver what others cannot, on time and to budget.

Nuclear Plant Completion, Recovery, and Restart Experience

Bechtel has unparalleled experience in successfully completing nuclear power plants at various stages of construction and in performing recoveries and restarts of nuclear plants that have experienced interrupted operation or performance problems. In addition to designing and constructing more U.S. nuclear power plants than any other company,

Bechtel has earned a well-deserved reputation for responding to owner requests for support on nuclear power plant projects already underway. A number of utilities that had to halt projects for safety, quality, or cost reasons later turned to Bechtel to help finish their plants in a variety of capacities.

On each plant recovery, Bechtel uses proven and effective design, engineering, and construction tools and processes. We staff each recovery with qualified and experienced personnel, and we approach the work with a positive "can-do, make it happen" attitude. Our flexibility, innovation, and adaptability to changing conditions enable us to overcome challenges without affecting established completion schedules. In several cases, Bechtel validated the existing contractor engineering and design and proceeded forward with the design completion.

Currently, we are completing the EPC scope on Watts Bar Unit 2, as well as supporting Finnish utility TVO on its Olkiluoto 3 unit by providing seasoned project management, construction, and project controls personnel to baseline the project's current status and develop the best path forward for completing the unit.

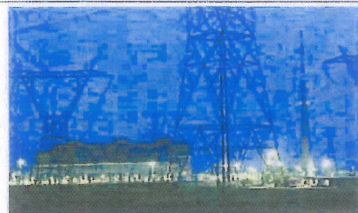
Highlights of some of these projects are provided below:



**Watts Bar Unit 2
Completion
(2007 to present)**

In 2007, Bechtel was selected to perform a detailed seap-ing, estimating, and planning phase and later was selected to perform the project's detailed engineering, procurement, and construction scope. Engineering activities have included detailed walkdowns, assembly and evaluation of original design documents, development of Corrective Action Programs, and performance of detailed design for systems interfacing with Unit 1 and for new plant construction.

Currently, construction work is proceeding well as the project has over 21 million manhours without a lost time accident (LTA) and is experiencing 98% first time quality installation inspections. The unit recently passed Cold Hydro Testing on the first try. Project completion is scheduled for the end of this year when Watts Bar 2 will provide the first power to the grid in the U.S. from a new nuclear source this century.



**Browns Ferry Unit 1
Restart (2003 to 2006)**

Bechtel provided engineering services to produce a detailed scope, cost estimate, schedules, and planning for the recovery of Browns Ferry Unit 1. Bechtel deliverables included walkdown packages, conceptual designs, development of detailed cost estimates and schedules for recovery programs and design change notices, the Unit 1 integration database, and risk evaluation. This effort correctly led to the conclusion that it was economically viable to initiate the next phase of the program to bring this plant, which had been out of service for 15 years, back on line.

Bechtel prepared all necessary plant modification packages and engineering deliverables to conform the plant to committed licensing requirements and to prepare the plant for restart. Activities included all engineering design and the management activities necessary for Plant Operating Review Committee (PORC) approval of the required modification packages. Included with the recovery effort was an EPU, which Bechtel took over to ensure that the recovery completion schedule remained on schedule. The Bechtel team worked closely with the TVA design and construction team to develop the necessary modifications to minimize actual construction activities. The engineering portion of the project, Bechtel's responsibility, was done well within schedule and under budget. The total project was completed essentially within budget and schedule. This project was selected as the Project of the Year by *Power Engineering*.



**Yucca Mountain Project
(2001 to 2009)**

Bechtel led the team that managed and operated the large, complex Yucca Mountain Project for the U.S. Department of Energy (DOE), selected to replace the previous contractor. We conducted the scientific, engineering, and technical work necessary to determine the mountain's suitability as a repository for U.S. spent nuclear fuel and high-level radioactive waste. Our work culminated in preparation of the 8,600-page license application, along with 70,000 pages of supporting references that DOE submitted to the Nuclear Regulatory Commission (NRC) for a deep geologic repository. Among its many challenges, the licensing effort required us to integrate nearly three decades of scientific study and engineering design work.

Other accomplishments included:

- Completing a fast-track transition nearly \$3 million under budget
- Assisting DOE in addressing all 293 NRC-DOE Key Technical Issue Agreements
- Managing and maintaining the 230 square-mile site's infrastructure, including all onsite and offsite structures, 7 miles of tunnel, a potable water system, and 50 miles of paved and unimproved roads, as well as managing an average of 1,200 personnel
- Preparing a conceptual design for more than 1,000 miles of possible rail corridor and identifying millions of dollars in potential cost savings